

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 CAB-05 DODE-00
DOTE-00 FAA-00 L-03 ERDA-07 FEA-01 SS-15 NSC-05
H-02 /107 W

-----020954 020417Z /23

R 011200Z SEP 77

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 3523

UNCLAS BOGOTA 8179

E.O. 11652: NA

TAGS: EAIR, CO

SUBJECT: JET FUEL TAXES

REF: BOGOTA 9697

1. UNDER COVER OF FOREIGN OFFICE NOTE 4014 OF AUGUST 16
EMBASSY HAS RECEIVED COPY OF LETTER FROM LAZARO MEJIA ARANGO,
DIRECTOR GENERAL OF NATIONAL TAXES, MINISTRY OF FINANCE, TO
TERESA IVARS DE ZEA, UNDERSECRETARY FOR ECONOMIC AFFAIRS,
MINISTRY OF FOREIGN RELATIONS, DATED AUGUST 10. THE NOTE
REQUESTS USG COMMENTS ON CONTENTS OF LETTER.

2. SUMMARY OF CONTENTS FOLLOWS:

THERE WAS A CHANGE IN THE SYSTEM OF FUEL SUPPLY FOR
AIRCRAFT IN INTERNATIONAL FLIGHT ON NOVEMBER 27, 1973. FROM
THIS DATE FORWARD SALES OF FUEL TO AIRCRAFT, NATIONAL OR
FOREIGN, ON INTERNATIONAL FLIGHTS, IS CONSIDERED AN
EXPORT AND EXEMPT FROM SALES AND ALL OTHER TAXES. THUS,
PRICES CHARGED SINCE 11/27/73 REFLECT ONLY THE FUEL PRICE
FIXED BY ECOPETROL AND THE MINISTRY OF MINES AND
ENERGY.

ALL FUEL IN COLOMBIA IS PRODUCED BY ECOPETROL AND SUP-
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PLIED TO CONSUMERS THROUGH WHOLESALERS. THE WHOLESALERS
PAY A PRICE TO ECOPETROL FOR FUEL THAT REFLECTS THE
NATIONAL PRICE PLUS RESPECTIVE TAXES. WHEN AN EXPORT
SALE IS MADE, I.E., TO AN AIRCRAFT IN INTERNATIONAL
FLIGHT, THE WHOLESALER CHARGES A PRICE FREE OF TAXES
REPORTS THE SALE TO ECOPETROL, AND ECOPETROL REFUNDS
THE APPLICABLE TAX TO THE WHOLESALER. SUCH A SYSTEM

IS REQUIRED SINCE EXPORT SALES VOLUME OF THE WHOLESALER
IS UNKNOWN AT THE TIME OF INITIAL PURCHASE FROM ECOPE-
TROL.

CONFUSION HAS ARISEN OVER THE IMPOSITION OF TAXES
BACAUSE ESSO ERRONEOUSLY INCLUDED SALES TAXES IN ITS
INVOICES TO BRANIFF.

FROM THE ABOVE, IT CAN BE SEEN THAT THE AIR TRANSPORT
AGREEMENT HAS NOT BEEN VIOLATED BY THE FINANCE MINISTRY
AND NO TAXES ARE OWED BRANIFF BY THE GOC. THEREFORE,
IT IS NOT NECESSARY TO EXPEDITE PASSAGE OF A DECREE
ABSOLVING BRANIFF OF THE OBLIGATION TO PAY SALES TAXES
ON FUEL PURCHASES NOR IS IT NECESSARY TO EXPEDITE
REFUNDS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, JET FUEL, TAXES, DIPLOMATIC NOTES
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Expiration:
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Format: TEL
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197709110/aaaadohz.tel
Line Count: 76
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0947aa3a-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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SAS ID: 1094714
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Status: NATIVE
Subject: JET FUEL TAXES
TAGS: EAIR, ENRG, CO
To: STATE
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vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/0947aa3a-c288-dd11-92da-001cc4696bcc
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